

11 September 1968

MEMORANDUM FOR : Director of Central Intelligence

SUBJECT : New Book: The United States in World Affairs - 1967 by Richard P. Stebbins

1. This memorandum is for information only to invite your attention to certain passages about CIA in The United States in World Affairs - 1967 by Richard P. Stebbins (New York: Simon & Schuster, 1968), just published. This is the current volume of this prestigious series which has been published annually by the Council on Foreign Relations since 1931.

2. Although CIA's relations with the Council have always been friendly, to the best of my knowledge, the two major references to CIA in the current volume are at best unfortunate. Mr. Stebbins finds "Particularly shocking" the fact that CIA, "in addition to other unlauded activities", was involved in the clandestine financing of certain student and labor organizations. (p. 16). The full text of this paragraph is attached as Tab "A." The footnote citing those who defended this CIA activity merely refers the reader to the material on pp. 376-78.




3. On pages 376-78, the author goes further into "the CIA scandal." Noting the development of the Administration's "credibility gap", Stebbins points out that "This feeling of governmental obtuseness in ethical matters was immensely stimulated by the disclosure ... that the Central Intelligence Agency had for years been providing clandestine financial support to student and intellectual organizations ... ." While citing longtime presidential approval of these activities, the author balances Mr. Katzenbach's favorable quotation in our defense with Vice President Humphrey's initial unfortunate remark concerning the affair. The full text of those paragraphs is attached as Tab "B".

Walter Pforzheimer  
Curator  
Historical Intelligence Collection

Attachments  
Tabs "A" and "B"

Distribution Sheet to Memo  
to DCI dated 11 Sept 1968

Distribution:

Orig & 1 - DCI w/att.  
1 - DDCI w/att.  
1 - Ex. Dir. w/att.  
1 - DDI w/att.  
1 - DDP w/att.  
1 - Asst. to Dir. (Mr. Goodwin) w/att.  
1 - DCI/NIPE w/att.  
1 - GCw/att.  
1 - D/OCI w/att.  
1 - D/ONE w/att.  
1 - D/Sec. (Attn:  w/att.  
1 - CI Staff (Attn:  y/att.  
1 - CA Staff (Attn:  w/att.  
2 - HIC

STAT

CIA INTERNAL USE ONLY

A

THE U  
WORL

FEAR is :  
complex r  
when th  
the ce  
capital o  
ual fore  
cil on F  
nized t  
alists, c  
oritative  
merican p  
offers :  
erience  
Americ  
re in th  
e broad  
ther the  
dual co  
airs, 196  
akes ac  
leaves t  
sions fr  
The  
the gl  
moves  
ters of  
war i  
in th  
sion:  
the  
mu  
Un  
ch  
of  
ch  
of

## 16 INTRODUCING 1967

drinks and popular culture. The so-called "technological gap" between the advanced United States and supposedly backward Europe had become a cause of ever-increasing complaint on the European side and had even been made a subject of formal inquiry in NATO.

The year 1967 was to bring still further evidence of the extent to which America and Americans were making their influence felt in every continent, not only in economic and cultural affairs but even, in some instances, through such underworld activities as gambling, narcotics smuggling, and gun running. Particularly shocking to many observers, at home as well as abroad, was the disclosure in February 1967 that the U.S. Central Intelligence Agency, in addition to other unlauded activities, had for years engaged in the clandestine financing of student and labor organizations on both a national and an international plane. While there were those who found something to say in defense of this activity,<sup>11</sup> the net effect was to strengthen the international revulsion against American foreign policy as lately manifested in Vietnam, in the Dominican Republic, and elsewhere. Revelations of some things the United States had done in the past would make it easier to blame it for still other things which it had not done but for which it could nevertheless serve as a convenient scapegoat.

Many, though not all, in the countries of Asia, Africa, and Latin America had already adopted an attitude of almost habitual animosity toward the United States in view of its allegedly dangerous and reactionary course in Vietnam, its alleged support of "colonialism," particularly in Africa, and its supposed arrogance and insensitivity to their grievances. The fact that many of these complaints were either unfounded or greatly exaggerated did not diminish their vehemence. Aside from Vietnam, two issues in particular had of late years bred extreme resentment against the United States and its Western partners and offered a characteristic opportunity for the Communist states to pose as the true friends of the emergent countries. One of these was the limited success of the anticolonial forces in their crusade against the remaining bastions of "colonialism and racial discrimination" in southern Africa—in Rhodesia, in South and South West Africa, and in the Portuguese territories of Angola and Mozambique. The other was the unsatisfactory state of the poorer countries' efforts at economic development, the comparative paucity of outside aid in the form of new investment capital from other than private sources, and their inability to obtain more remunerative terms for their trade with the advanced countries.

Each of these :  
by the war in Vi  
out, had damaged  
as it heightened  
"Communist aggr  
can obligation, a  
could be little do  
itself were being t  
human suffering,  
and the deepened  
by this time virtu  
tional community  
and Far East wh  
point, the United  
its Vietnam policy  
little prospect tha  
West or the "thir

So long as the  
scant prospect of  
the countries of t  
whose leaders ha  
relations with the  
direction while th  
namese people."  
members of Con;  
of accommodatio  
supported North  
even the German  
Georg Kiesinger,  
their economic a  
bloc; but the han  
by its commitmen

More alarming  
relations was the  
ance between the  
toward disarmam  
perennial and cos  
series of recent i  
up its production  
in a way that m

## 376 FOREIGN POLICY IN A "SICK SOCIETY"

ous tendency toward executive supremacy in foreign policy in recent years."<sup>6</sup> But with the attention of Senate critics so largely focused on questions of Vietnam strategy and tactics, consideration of the larger constitutional issue was put over to 1968.

Outside the halls of Congress, the legislative revolt against the presidential conduct of foreign affairs was matched by a growing rejection of the national foreign policy by substantial sections of the public. A sense of alienation from the government and its processes, and of incomprehension or anger at the actions taken in its name, began to find expression not merely in assertions of a contrary viewpoint but in open, personal disrespect for the President and members of his administration. Americans had always felt free to criticize their government, but rarely had they felt the impulse to deride and scorn it as many of them did in 1967. President Johnson, whose public approval rating as measured by the Gallup Poll declined from 47 per cent in January to 38 per cent in October, was widely if erroneously accused of basing all decisions on a crass desire for reelection in November 1968—a date whose approach was felt in all political quarters as leaders of both parties sought ways of accommodating their views about the war to the dictates of party politics.

Contributing to the lack of respect for the national government was a widespread feeling that its members had become hopelessly addicted to prevarication and even to outright trickery and deceit. The "credibility gap," noted with such dismay in 1966, had by 1967 become so thoroughly assimilated into the national outlook that administration statements, whether dealing with "progress" in Vietnam or with other matters, were discounted almost as a matter of course. This feeling of governmental obtuseness in ethical matters was immensely stimulated by the disclosure in February, initially by the "anti-establishment" *Ramparts* magazine, that the Central Intelligence Agency had for years been providing clandestine financial support to student and intellectual organizations, both national and international, that had been identified with the liberal and anti-Communist cause in the "cold war" confrontations with Communist-influenced organizations, mainly during the 1950's.<sup>7</sup>

Undertaken in accordance with policies established by the National Security Council and continued in effect under four Presidents (usually without the knowledge of the organization assisted), this activity could be defended on the ground that no alternative sources of financial backing had been available at the time the arrangements were made.

C.I.A. support, "enabled many f country in times the free world." gence agency li mind was boun lectual circles a could be comp aroused by the Daniel a few n enced defender "one of the sadd ment has had."<sup>9</sup>

In the midst President set up bach, Secretary c and C.I.A. Direc at protecting the munity while ens to play their "pro the recommenda discontinue cover tary organization by the end of t recommended th that could open activities; but the ing, or scope of s

In an attempt new guidelines w of government-s; and other privat were, such corre the government's affairs. The new this area had sl; although the wo an International interest if war co

In its domesti

C.I.A. support, in the words of Under-Secretary Katzenbach, had "enabled many far-sighted and courageous Americans to serve their country in times of challenge and danger to the United States and the free world."<sup>8</sup> Yet the clandestine involvement of a secret intelligence agency like the C.I.A. in matters pertaining to freedom of the mind was bound to create a deeply unfavorable impression in intellectual circles at home and abroad. The ensuing international scandal could be compared in intensity, if in no other respect, with that aroused by the trial and conviction of Soviet writers Sinyavsky and Daniel a few months earlier. Vice-President Humphrey, an experienced defender of administration policies, referred to the affair as "one of the saddest times, in reference to public policy, our government has had."<sup>9</sup>

In the midst of the uproar engendered by these disclosures, the President set up a special three-man panel (Under-Secretary Katzenbach, Secretary of Health, Education, and Welfare John W. Gardner, and C.I.A. Director Richard Helms) to formulate new policies aimed at protecting the independence and integrity of the educational community while ensuring that American private organizations were able to play their "proper and vital role" in the world. In accordance with the recommendations of this group, steps were presently taken to discontinue covert Federal assistance to educational or private voluntary organizations, and secret C.I.A. funding was declared terminated by the end of the year. As an alternative, the Katzenbach group recommended the establishment of a new "public-private" mechanism that could openly channel public funds into meritorious overseas activities; but the year closed without agreement on the form, financing, or scope of such an organization.<sup>10</sup>

In an attempt to deal with a related source of friction and criticism, new guidelines were laid down late in the year to regulate the conduct of government-sponsored research on foreign areas by universities and other private institutions.<sup>11</sup> Yet necessary as they undoubtedly were, such corrective steps could make little positive contribution to the government's programs in international educational and cultural affairs. The new impetus President Johnson had sought to impart in this area had slackened noticeably under the influence of Vietnam, although the work of the Williamsburg conference and the plan for an International Education Year<sup>12</sup> held out the hope of a revival of interest if war conditions eventually abated.

In its domestic impact, the C.I.A. scandal offered fresh stimulus

## 378 FOREIGN POLICY IN A "SICK SOCIETY"

to the mounting agitation among the dissident intellectuals, peace marchers, draft resisters, and racial activists associated with what was loosely known as the "New Left." Bound together more by dislike of things as they were than by agreement on positive goals, the adherents of this dissident trend were far from constituting a unified force. A significant if transitory rift in the "peace" movement occurred in June as a result of the Middle East war, in which some peace militants forgot their antiwar sentiments in their enthusiasm for Israel. In September, a further splintering occurred at a conference on "New Politics" at which a Negro militant group seized control in much the same belligerent spirit that Stokely Carmichael had lately manifested at the OLAS conference in Havana.<sup>13</sup>

Such differences among the dissenters did nothing to temper their ever-mounting rancor against the government, which reached tumultuous expression on October 21 in the Washington "peace" rally organized by the National Mobilization Committee to End the War in Vietnam. "From dissent to resistance" was the favored slogan of the predominantly youthful demonstrators involved in this affair, whose unsuccessful attempts to invade the Pentagon focused world-wide attention on their antiwar and antigovernment sentiments. A comparable, though minor, disturbance occurred in New York on November 14 when Secretary Rusk arrived to deliver an unexceptionable address on "The Political Future of the Family of Man."<sup>14</sup> President Johnson, contrasting "responsible dissent" with "storm-trooper bullying," suggested at his November 17 news conference that "some of the things that are taking place in this country" were "extremely dangerous to our national interest" and "not very helpful to the men that are fighting the war for us." The President himself began to confine his public appearances to times and places where no such disturbances were to be expected.

The seriousness of such manifestations could easily be exaggerated. Most of the nation's 200,000,000 inhabitants were still going about their normal occupations, untouched or only remotely influenced by the disorder on home and foreign fronts. Yet there were responsible observers who could suggest that the nation was suffering "a kind of national nervous breakdown," a "third trauma" or "depression of the national spirit" as intense as those associated with the Civil War and the Great Depression of the 1930's.<sup>15</sup> On even the most optimistic interpretation, the national mood invited comparison with the psychic

disturbance in the 1950s, which led to the policy. The national po

48 : Turni

One reason for the economic turmoil and executive conduct of the date to provide the longer than the attempt to exert a n attempts of its leg scribing t swaying it

Tradition basic difficulties prone to on overseas on to a needed t tendency tion in ea that were but were establish

This t during 1 deployment also evident prevalence and the

TRANSMITTAL SLIP		DATE
TO: <i>Ex. Dir.</i>		<i>17 Sept 68</i>
ROOM NO.	BUILDING	
<b>7 D 59</b>	<b>Hqs. (Tube BX-3)</b>	
REMARKS:		
FROM: <b>WALTER PFORZHEIMER</b>		
ROOM NO.	BUILDING	EXTENSION

FORM NO. 241  
1 FEB 55

REPLACES FORM 36-8  
WHICH MAY BE USED.

(47)